



ROBINSON MCFADDEN
ATTORNEYS AND COUNSELORS AT LAW

ROBINSON, MCFADDEN & MOORE, P.C.

COLUMBIA | GREENVILLE

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VIA EMAIL & HAND DELIVERY

Charles L.A. Terreni, Chief Clerk
Public Service Commission of South Carolina
101 Executive Center Drive, Saluda Building
Columbia, South Carolina 29210

Bonnie D. Shealy
1901 MAIN STREET, SUITE 1200
POST OFFICE BOX 944
COLUMBIA, SOUTH CAROLINA 29202
PH
(803) 779-8900 | (803) 227-1102 *direct*
FAX
(803) 252-0724 | (803) 744-1551 *direct*
bshealy@robinsonlaw.com

**Re: Generic Docket – Amendments to Interconnection
Agreements/Change of Law
Docket No. 2004-316-C
Our File No. 30042-0003**

Dear Mr. Terreni:

Enclosed for filing please find the Rebuttal Testimony of Kristin Shulman on behalf of the Southeastern Competitive Carriers Association. By copy of this letter we are serving the same on all parties of record. Please stamp the extra copy provided as proof of filing and return it with our courier.

Very truly yours,

ROBINSON, MCFADDEN & MOORE, P.C.

Bonnie D. Shealy
Bonnie D. Shealy

/bds
Enclosures

cc/enc: Terry Romine, Deputy General Counsel (via email & U.S. Mail)
Dan F. Arnett, Chief of Staff (via email & U.S. Mail)
All parties of record (via email & U.S. Mail)
Ms. Kristin Shulman (via U.S. Mail)
Ms. Daphne Dukes (via email)

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In the Matter of:

Docket No. 2004-316-C

SOUTHEASTERN COMPETITIVE CARRIERS ASSOCIATION

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1 **Q. Please state your name and business address.**

2 A. My name is Kristin Shulman. My business address is 810 Jorie Blvd., Suite 200,
3 Oak Brook, IL 60523.

4

5 **Q. By whom are you employed and in what capacity?**

6 A. I am an Executive Director – Regulatory Affairs of XO Communications, Inc. ("XO").
7 In this position, I am responsible for all regulatory issues and policies, in which XO
8 engages, in Michigan, Ohio, Illinois, Missouri and Texas.

9

10 **Q. On whose behalf are you testifying?**

11 A. I am testifying on behalf of Southeastern Competitive Carriers Association, which
12 association XO is a member.

13

14 **Q. Please describe your educational background and professional experience
15 within the telecommunications industry.**

16 A. I graduated from the State University of New York at Albany ("SUNY Albany") where
17 I received a Bachelor of Arts degree in English. I also received a Masters of Arts
18 degree in Economics from the Pennsylvania State University.

19

20 I started my career in 1984 as a Manager, Corporate Books at the Rochester
21 Telephone Company in Rochester NY. Over the next 16 years, I held many
22 management positions in the regulatory and marketing departments of then Bell
23 Atlantic and Ameritech, culminating in the position of Vice President of Marketing,
24 Ameritech Industry Services in the late 1990's. Subsequent to working for the

1 regional operating companies, I was principal of Active Strategies, LLC a telecom
2 consulting firm. In that capacity, I assisted a number of CLECs in entering the
3 market utilizing UNEs obtained from the Incumbent Local Exchange Carriers. In
4 2003, I joined Allegiance Telecom, Inc. as Regional Vice President, Regulatory
5 Affairs and handled all regulatory matters in which Allegiance took part in the
6 Verizon east states. In 2004, Allegiance Telecom, Inc. was acquired by XO
7 Communications, Inc. and I took on my current job responsibilities as Executive
8 Director, Regulatory Affairs.

9
10
11 **Q. What is the purpose of your testimony?**

12 A. My testimony addresses a number of issues related to the transition plans for high-
13 capacity loop and transport network elements and an issue related to the definition
14 of a dedicated transport "route" discussed in the direct testimony of other parties.

15
16 **Q. Please summarize your understanding of the FCC's transition plan for high
17 capacity loops and transport.**

18 A. In its simplest terms, the FCC adopted a twelve month transition period for DS1 and
19 DS3 loops and transport beginning on March 10, 2005 and ending on March 10,
20 2006, and an eighteen month transition period for dark fiber loops and transport
21 beginning on March 10, 2005 and ending on September 10, 2006. During the
22 transition period, ILECs are permitted to charge rates equal to the higher of 115% of
23 the unbundled network element rates in effect on June 15, 2004 or 115% of any

1 UNE rates established by state commissions between June 15, 2004 and March 10,
2 2005.

3
4 **Q. Have you reviewed the testimony of CompSouth witness Joseph Gillan**
5 **concerning the appropriate implementation of the FCC's transition plan?**

6 **A. Yes, I have.**

7
8 **Q. Please summarize your understanding of Mr. Gillan's proposal for**
9 **implementing the FCC's transition plan for high capacity loops and transport.**

10 **A.** Mr. Gillan contends that the FCC required that CLECs (a) amend the provisions in
11 their interconnection agreements concerning DS1 and DS3 loops and transport by
12 March 10, 2006 and place orders by that date to convert their embedded base of
13 DS1 and DS3 loops and transport to alternative arrangements and (b) amend the
14 provisions in their interconnection agreements concerning dark fiber loops and
15 transport by September 10, 2006 and place orders by that same date to transition
16 their embedded base of dark fiber loops and transport to alternative arrangements.
17 He proposes that the transition rates would become effective upon amendment of
18 the interconnection agreement, unless BellSouth agrees that the language
19 implementing the new high capacity EEL eligibility criteria, conversion and
20 commingling rights/obligations is retroactive to March 11, 2005. If BellSouth agrees
21 to the retroactive application of this language, Mr. Gillan proposes that the transition
22 rates would be retroactive to March 11, 2005. Under Mr. Gillan's proposal the
23 transition rates would remain in effect until BellSouth completes the conversion of
24 the embedded base.

1 **Q. Have you reviewed the testimony of BellSouth witness Pamela A. Tipton**
2 **concerning the implementation of the FCC's transition plan?**

3 A. Yes, I have.

4
5 **Q. Please summarize your understanding of Ms. Tipton's proposal for**
6 **implementing the FCC's transition plan for high capacity loops and transport.**

7 A. Ms. Tipton argues that the transition rates apply to the embedded base of DS1,
8 DS3, and dark fiber loops and transport as of March 10, 2005, regardless of when a
9 CLEC's interconnection agreement is amended. She proposes that CLECs be
10 required to submit orders by December 9, 2005 to convert their embedded base of
11 DS1 and DS3 loops and transport to alternative arrangements and to submit orders
12 by June 10, 2006 to convert their embedded base of dark fiber loops and transport.
13 Under Ms. Tipton's proposal, transition pricing for the embedded base would end
14 when BellSouth completed the conversion in the case of conversions that are
15 completed before the end of the FCC's transition periods. It would end on March 10,
16 2006 for DS1 and DS3 loops and transport and on September 10, 2006 for dark
17 fiber loops in the case of conversions that BellSouth does not complete by the end
18 of the applicable transition period.

19
20 **Q. Do you agree with Mr. Gillan or Ms. Tipton concerning the appropriate**
21 **implementation of the FCC's transition plans?**

22 A. I really can't totally agree with either one.

23

1 Mr. Gillan is certainly correct that the FCC provided CLECs twelve months from
2 March 10, 2005 to amend their interconnection agreements concerning DS1 and
3 DS3 loops and transport and eighteen months to amend the provisions concerning
4 dark fiber loops and transport. At paragraph 143 of its Order, referring to DS1 and
5 DS3 transport, the FCC stated that “carriers have twelve months from the effective
6 date of this Order to modify their interconnection agreements, including any change
7 of law processes.” In footnote 406, the FCC said that “for dark fiber transport,
8 carriers have eighteen months from the effective date of this Order to modify their
9 interconnection agreements, including completing any change of law processes.”
10 The FCC said the same things concerning the transition periods for DS1 and DS3
11 loops in paragraph 196 and for dark fiber loops in footnote 523. Clearly, the FCC
12 intended to provide up to twelve months for the modification of interconnection
13 agreement provisions concerning DS1 and DS3 loops and transport and eighteen
14 months to modify the provisions concerning dark fiber loops and transport.

15
16 TAs discussed by Mr. Gillan, the FCC has indicated that, once the parties have
17 amended their interconnection agreement, a true-up of transition pricing is
18 appropriate. Of course, as the FCC emphasized at several points in the *TRRO*, its
19 transition plan should apply only where the parties have not agreed to different
20 terms. For example, if the change of law provisions in a CLEC’s interconnection
21 agreement provide that changes of law will be implemented without true-ups or by
22 some other means, that provision or other arrangement should be given effect.
23 However, BellSouth’s position on this issue, that only transition pricing, and no other

1 provisions of the FCC's order that have been delayed in implementation, must be
2 true-up is not correct and should be rejected, as well. Thus, I agree with Mr.
3 Gillan's proposal to tie BellSouth's ability to true-up retroactively the transition
4 pricing back to March 11, 2005 upon execution of the amendment with BellSouth's
5 commitment to implement the language on new high capacity EEL service eligibility
6 criteria, conversions and commingling rights/obligations retroactively to March 11,
7 2005.

8
9 Most importantly, I agree with Mr. Gillan that the FCC did not require CLECs to
10 convert their embedded base of high capacity loops and transport and UNE-P
11 arrangements prior to the end of the transition period. In paragraph 143, the FCC
12 said that "[a]t the end of the twelve-month period, requesting carriers must
13 transition the affected DS1 or DS3 dedicated transport UNEs to alternative facilities
14 or arrangements." The FCC said the same thing with respect to DS1 and DS3 loops
15 in paragraph 196. Although CLECs need to place their orders for the conversion of
16 UNEs before the end of the transition period, Ms. Tipton is simply wrong in
17 contending that the FCC required CLECs to **complete** the conversion of delisted
18 UNEs to other arrangements by the end of the transition period. The FCC clearly
19 intended to give CLECs the full twelve months (or eighteen months for dark fiber
20 UNEs) to identify the best available alternatives to high capacity loops and transport
21 that they currently lease on an unbundled basis but cannot retain as UNEs after the
22 transition period and to place the necessary orders with BellSouth and other
23 vendors to implement those alternatives.

1
2 I can't agree with either Mr. Gillan or Ms. Tipton about when the FCC's transition
3 pricing ends. Mr. Gillan contends that transition pricing should continue until
4 BellSouth actually converts each delisted UNE, although BellSouth may not even
5 receive CLECs' conversion orders until just before the end of the transition period,
6 while Ms. Tipton contends that BellSouth should be permitted to charge higher rates
7 for other arrangements as soon as it converts delisted UNEs when it does so before
8 the end of the transition period. Yet the FCC clearly stated in paragraphs 145 and
9 198 that transition rates for high capacity loops and transport would apply "**during**
10 **the relevant transition period.**" Similarly, 47 CFR §§ 51.319(a)(4)(iii) (DS1 loops),
11 51.319(a)(5)(iii) (DS3 loops), 51.319(e)(2)(ii)(C) (DS1 transport), and
12 51.319(e)(2)(iii)(C) (DS3 transport) all provide for transition pricing "for a 12-month
13 period beginning on the effective date of the Triennial Review Remand Order," while
14 47 CFR §§ 51.319(a)(6)(ii) (dark fiber loops) and 51.319(e)(2)((iv)(B) apply transition
15 pricing "[f]or an 18-month period beginning on the effective date of the Triennial
16 Review Remand Order." In light of these statements, it seems clear that the FCC
17 intended for transition pricing to end on March 10, 2006 for DS1 and DS3 loops and
18 transport and on September 10, 2006 for dark fiber loops and transport, regardless
19 of when the network elements are actually converted to alternative arrangements,
20 assuming that orders are placed prior to the end of the transition period for circuits
21 to be converted. While this will result in BellSouth providing special access circuits
22 at UNE rates if it completes a conversion before the due date, this will be offset by
23 its ability to charge special access rates for UNEs that it does not convert by the

1 deadline. Also, it is important to note that, if special access pricing is effective March
2 10, 2006 for DS1 and DS3 loops and transport and on September 10, 2006 for dark
3 fiber loops and transport, even when the actual conversion occurs at a later date,
4 BellSouth should be required to make available special access term pricing on that
5 same date, regardless of actual conversion date. In other words, BellSouth cannot
6 have its cake and eat it, too – or have a special access “true-up” back to March 10,
7 2006, yet refuse to provide plan pricing because the circuits “were not yet
8 converted.”

9
10 **Q. Please summarize how you believe the transition process should work.**

11
12 **A.** The FCC intended to provide a period of one year for parties to amend the
13 provisions of their interconnection agreements concerning DS1 and DS3 loops and
14 transport and an eighteen month period to amend interconnection agreement
15 provisions concerning dark fiber loops and transport. CLECs also should have until
16 March 10, 2006 to place orders to convert DS1 and DS3 loops and transport to
17 alternative arrangements, and until September 10, 2006 to place orders to convert
18 dark fiber loops and transport. Once the interconnection agreement is amended, a
19 true-up of all applicable provisions, consistent with the Commission’s order in this
20 docket, should apply, unless BellSouth has agreed otherwise with a particular
21 CLEC. For interconnection agreements amended before the conclusion of this
22 docket, the parties should be required to comply with the order in this docket unless
23 they have clearly waived their right to do so. CLECs should not be penalized for
24 working cooperatively with BellSouth to amend their interconnection agreements

1 prior to the conclusion of this docket. Transition pricing should end on March 10,
2 2006 for all delisted UNEs except dark fiber and on September 10, 2006 for dark
3 fiber loops and transport, no matter when the CLEC places orders to convert the
4 UNEs as of those dates or when BellSouth completes the conversions.

5
6 **Q. Do you believe that policy considerations support your conclusion?**

7
8 **A.** Yes, I do. Aside from the FCC's clear statements of its intention, setting uniform
9 dates for the commencement and termination of transition pricing is necessary in
10 order to avoid creating inappropriate incentives and promoting discrimination.
11 Delaying the onset of transition pricing until an interconnection agreement is
12 amended would provide an incentive for CLECs to prolong negotiations and would
13 discriminate against CLECs who heed the FCC's exhortations to promptly amend
14 their agreements. Tying the end of transition pricing (or the availability of special
15 access plan pricing) to BellSouth's completion of conversion orders would create an
16 incentive for CLECs to delay placing their conversion orders (or for BellSouth to
17 delay working those orders) and would permit BellSouth to discriminate based upon
18 when it completes those orders. In each case, CLECs who worked cooperatively
19 with BellSouth to amend their interconnection agreements promptly and to place
20 their conversion orders in a timely fashion would effectively be penalized for doing
21 so. On the other hand, if end of transition prices apply in all cases on March 10 or
22 September 10, 2006, as appropriate, CLECs would have to place their conversion
23 orders early in order to give BellSouth more time to complete them and thus

1 minimize the risk of errors as BellSouth works to convert a massive number of
2 network elements in a relatively short period of time.

3
4 The Commission also needs to consider incentives in determining whether any
5 other true-ups are appropriate. For example, CLECs have been entitled to
6 commingle UNEs and wholesale services, to use EELs under clearer eligibility
7 criteria, and to convert commingled services to UNEs at least since the FCC's
8 *Triennial Review Order*, but BellSouth has generally refused to permit such
9 commingling, EELs usage and conversions until CLECs have amended their
10 interconnection agreements in their entirety to incorporate provisions that are
11 favorable to BellSouth. If the Commission were to order a true-up to transition rates
12 for delisted UNEs but not for issues such as commingling, EELs and conversions,
13 BellSouth would continue to have no incentive to amend agreements promptly to
14 incorporate provisions that are favorable to CLECs. Unless a particular
15 interconnection agreement or other agreed upon arrangement specifies that there
16 will be no true-ups, the Commission should adopt a uniform policy for truing up all
17 changes that result from implementation of the *TRO* and *TRRO*, and not just those
18 changes that favor BellSouth.

19
20 **Q. What about charges for conversions? Do you agree with BellSouth's**
21 **proposals for charging CLECs to convert delisted UNEs to alternative**
22 **arrangements?**

1 A. Only partially. BellSouth will incur minimal costs associated with making the record
2 changes required to convert UNEs to wholesale services, but in many cases the
3 conversion charges that BellSouth proposes are excessive.

4
5 **Q. What does Ms. Tipton propose that BellSouth would charge to convert a UNE**
6 **or UNE combination to a wholesale service when the CLEC identifies the UNE**
7 **or combination to be converted and places an order for the conversion?**

8 A. Ms. Tipton doesn't address this issue directly in her testimony, but Section 1.6
9 BellSouth's proposed contract language attached to her direct testimony states that
10 BellSouth will charge switch-as-is rates to convert a Network Element or
11 Combination to an equivalent wholesale service or group of wholesale services
12 upon the request of the CLEC.

13
14 **Q. Are such switch-as-is conversion charges appropriate?**

15
16 A. Conceptually, yes they are. But BellSouth is proposing an excessive switch-as-is
17 rate for converting UNE loops to wholesale services.

18
19 **Q. Please explain.**

20
21 A. In the rate tables included with the proposed interconnection agreement
22 amendment that BellSouth has provided to CLECs and posted on its web site,
23 BellSouth proposes to assess Commission-approved switch-as-is charges for
24 converting dedicated transport UNEs and UNE loop and transport combinations to
25 equivalent wholesale services. However, for purposes of this docket, BellSouth
26 proposes to charge switch-as-is rates for conversion of stand alone UNE loops that

1 differ from the conversion rates for UNE loop and transport combinations. In most
2 states, including South Carolina, BellSouth's proposed switch-as-in rate for stand
3 alone UNE loops is much higher than the switch-as-is rate for UNE loop and
4 transport combinations. In South Carolina, for example, the Commission-approved
5 switch-as-is rate for the conversion of UNE loop and transport combination is \$5.61.

6 For converting a stand alone DS1 UNE loop, however, BellSouth has proposed a
7 switch-as-is rate of \$24.88. It cannot possibly cost BellSouth nearly four times as
8 much to make the record change to convert a UNE loop as it does to convert a
9 combination of that same loop and a dedicated transport interoffice channel. More
10 importantly, since BellSouth uses the same service center personnel and the same
11 systems for switch-as-is conversion in South Carolina, and other states, for that
12 matter, it should not cost BellSouth more to make a record change to convert a
13 UNE loop in South Carolina than it does to convert a combination of a loop and
14 dedicated transport interoffice channel in Georgia, or North Carolina, or Louisiana,
15 for example. The "switch as is" charge for the record change to convert a UNE loop
16 should be no more than the lowest rate in the BellSouth region for converting a loop
17 and transport combination, or Enhanced Extended Loop (EEL).

18
19 **Q. What justification does BellSouth provide for such a charge?**

20
21 **A.** To my knowledge, none. BellSouth did not even disclose its proposed switch-as-is
22 charges in its testimony, much less attempt to justify them.

1 **Q. What is the appropriate switch-as-is charge for converting a UNE loop to a**
2 **wholesale service?**

3 A. I don't have enough information to answer that question with specificity, but,
4 certainly, as I state above, it should be no more than the charge for converting a
5 UNE loop and transport combination in the same service center using the same
6 systems, regardless of the location of the facility. Keep in mind that this is a billing
7 change performed at a centralized location, not physical work done in the field.

8
9 **Q. What do you recommend that the Commission do about this issue?**

10
11 A. Because the record change for a high capacity loop should involve less work than a
12 record change for both a loop and a transport link, and the same process, systems,
13 and personnel are used for record changes in the various states, the Commission
14 should adopt a switch-as-is rate equal to the lowest switch-as-is rate adopted by any
15 state commission for BellSouth's conversion of a loop and transport combination,
16 which is \$5.43, the switch-as-is charge for loop and transport combinations in
17 Louisiana and North Carolina.

18
19 **Q. What about conversion charges when BellSouth identifies the UNEs that**
20 **need to be converted, perhaps because a CLEC has not done so in a timely**
21 **manner?**

22 A. In Ms. Tipton's direct testimony and the attached proposed contract language,
23 BellSouth proposes that when it identifies a UNE or combination to be converted to
24 a wholesale service or services, the CLEC would be liable for any charge that the

1 Commission has approved for disconnection of the applicable UNE plus the full
2 tariffed nonrecurring charge for the wholesale service to which it is converted.

3
4
5 **Q. Do you believe that such charges would be appropriate?**

6
7 A. No. BellSouth may incur a small cost to identify delisted UNEs for which CLECs
8 have not placed conversion orders, and BellSouth easily would recover such costs
9 in the first month's higher recurring charges for wholesale services. More
10 significantly, the nonrecurring charges that BellSouth seeks to impose vastly exceed
11 any possible cost of simply identifying circuits to be converted. For example, the
12 nonrecurring charge for the installation of a DS1 local channel in Section 7.5.9(A)(1)
13 of BellSouth's FCC special access tariff, which is the wholesale equivalent of a DS1
14 loop, is \$650.00. Commission approved rate (all zones) for nonrecurring charges
15 for such loops when ordered as a UNE in the South Carolina is \$253.00, based on
16 Commission findings that such rates represent BellSouth's average TELRIC cost of
17 provisioning the loop. There is no way that BellSouth's cost simply of identifying a
18 loop to be converted could be in excess of \$253, not to mention the \$694.80 (\$650
19 special access nonrecurring charge plus \$44.80 UNE disconnect charge) that
20 BellSouth proposes to charge for doing so.

21
22 **Q. What do you recommend that the Commission do about this issue?**

23
24 A. BellSouth should not be allowed to impose any charges for identifying UNEs to be
25 converted. However, if the Commission decides to permit BellSouth to impose any
26 charge for identifying UNEs so that it can convert them to higher-priced wholesale

1 services, the Commission should require BellSouth to submit a TELRIC cost study
2 demonstrating its cost of identifying circuits to be converted. Pending the
3 submission and review of such a cost study, the Commission should set an interim
4 rate of zero. BellSouth cannot be permitted to impose above-cost charges for
5 identifying UNEs so that it can convert them to wholesale services at significantly
6 increased recurring rates.

7
8 **Q. What has BellSouth proposed concerning the transition of high capacity loops**
9 **and transport to wholesale services in the future, when additional wire**
10 **centers exceed the FCC's business line count and/or collocater thresholds?**

11 A. None of the BellSouth witnesses directly address this issue in testimony. The
12 contract language in Exhibits PAT-1 and PAT-2 to Ms. Tipton's testimony addresses
13 it in Section 2.1.4.12 for DS1 and DS3 loops, in Section 6.2.6.10 for DS1 and DS3
14 transport, and in Section 6.9.1.10 for dark fiber transport.

15
16 In each case, BellSouth proposes that when it identifies an additional wire center
17 that meets the FCC's criteria for delisting a high capacity loop or transport UNE, it
18 would post a notification on its web site identifying the wire center and the delisted
19 UNE. Effective ten business days later, BellSouth would not be required to provide
20 the delisted UNE in that wire center. CLECs would be required to submit orders to
21 convert the delisted UNEs in that wire center within forty days after BellSouth
22 posted the notice on its web site, with the conversions to be completed within ninety
23 days after the tenth business day after BellSouth posted the notice. Similar to its

1 proposal for the initial transition, BellSouth proposes that the FCC's transition rates
2 would apply for the period beginning ten business days after it posted the notice and
3 end on the earlier of when BellSouth completes the conversion or the end of the
4 ninety day period. and BellSouth proposes to assess switch-as-is charges for the
5 conversion of circuits identified by CLECs in timely conversion orders and the sum
6 of UNE disconnect charges and tariffed nonrecurring charges for circuits identified
7 by BellSouth.

8
9 **Q. Do you believe that those procedures are appropriate?**

10
11 **A.** No, I do not.

12
13 **Q. What transition provisions do you believe the Commission should adopt for
14 the future delisting of high capacity loops and transport?**

15 **A.** My testimony concerning the appropriate application of transition rates and
16 conversion charges for the initial transition period is equally applicable to
17 subsequent transitions. Transition rates should apply from the beginning to the end
18 of the transition period, regardless of when conversion orders are placed or
19 completed, and BellSouth should assess only Commission-approved switch-as-is
20 conversion charges, with an additional Commission-approved charge to recover its
21 cost of identifying circuits to be converted, when applicable.

22
23 The more important issues for subsequent transitions, however, concern the
24 process for updating the list of wire centers where high capacity UNEs are delisted
25 and the length of the transition period.

1
2 **Q. What process do you propose for updating the list of wire centers?**

3
4 A. I agree with Mr. Gillan's proposal for an annual proceeding to review business line
5 count data. Because of the incentives for BellSouth to overstate business line
6 counts in order to minimize its unbundling obligations, it is vitally important for the
7 Commission to review this data before BellSouth is relieved of unbundling
8 obligations. Since BellSouth's ARMIS data is updated annually, there should also be
9 an annual update of the business line counts based on that data.

10
11 It is also important to give CLECs sufficient time to change their business processes
12 to adjust to the impending loss of high capacity loop and transport unbundling in a
13 wire center. BellSouth proposes a period of only ten business days from the time it
14 announces that a wire center has exceeded an applicable threshold and the time
15 when it would no longer be required to unbundle a high capacity UNE in that wire
16 center. Many CLECs tailor their marketing to the cost of serving particular
17 customers, however, and they need significantly more than two weeks' notice that
18 the loop or transport circuit required to serve a particular prospective customer will
19 not be available at TELRIC rates. The knowledge that UNEs are likely to be delisted
20 in a wire center following Commission review of business line counts in that wire
21 center and the relatively brief time that would be required for such review under Mr.
22 Gillan's proposal would provide the time that CLECs need to adjust their marketing
23 and other business processes in anticipation of the delisting of the UNEs.

1 **Q. Mr. Gillan's proposal appears to be limited to an annual review of updated**
2 **business line counts. What if a wire center gains a fiber-based collocation**
3 **and, as a result, qualifies for delisting of a UNE?**

4 **A.** One approach would be to update the wire center nonimpairment lists only once a
5 year after the Commission reviews updated business line counts, but that could
6 require BellSouth to continue to provide high capacity loops or transport on an
7 unbundled basis for a year or more after a wire center exceeded an applicable
8 collocation threshold.

9 Although annual updates appear to be the only feasible approach to revising wire
10 center impairment lists based upon line count data, in the case of updates resulting
11 from new fiber-based collocations a better approach would be to require BellSouth
12 to post a notice on its web site whenever it receives an order for new or modified
13 collocation space that might result in a wire center exceeding an applicable
14 collocation threshold. While BellSouth often would not know at the time it received
15 the order whether the collocation in question would be fiber-based as defined by the
16 FCC, the early notification would let CLECs know that a wire center was in jeopardy
17 of qualifying for reduced unbundling so that they could adjust their business
18 processes accordingly. BellSouth then should be required to post a second notice
19 as soon as it has the information necessary to determine whether the new or
20 modified collocation will in fact result in the delisting of any UNE. Of course, the
21 actual delisting would not take effect until the collocation was completed, the fiber
22 installed, and the collocation powered up, and such delisting should be subject to an
23 appropriate transition period.

1 **Q. You mentioned that the length of subsequent transition periods is also an**
2 **important issue. Please elaborate.**

3 A. The FCC found that CLECs need as much as a full year from March 10, 2005 to
4 determine how best to transition their DS1 and DS3 UNEs to alternative
5 arrangements and eighteen months to identify and implement alternatives to dark
6 fiber loops and transport, despite the fact that CLECs have known at least since the
7 FCC's August 20, 2004 *Interim Order* that high capacity loops and transport were
8 likely to be delisted in the most dense wire centers. CLECs cannot possibly perform
9 the analysis required to identify the best alternatives to existing high capacity UNEs
10 in the ninety days proposed by BellSouth, especially when dark fiber transport is
11 delisted.

12
13 **Q. What transition periods do you believe should apply to the subsequent**
14 **delisting of high capacity UNEs?**

15 A. Because CLECs would have less advance notice of the likelihood of subsequent
16 UNE delisting than they did for the initial delisting that took effect on March 10,
17 2005, it is arguable that the length of subsequent transition periods should be at
18 least as long as the one year for DS1 and DS3 UNEs and eighteen months for dark
19 fiber UNEs that the FCC adopted for the initial transition, if not longer. As long as
20 the Commission establishes an appropriate process for reviewing updated business
21 line counts and requires BellSouth to post a notice when it receives a collocation
22 order that may result in the delisting of UNEs, however, I can agree with US LEC
23 witness Wanda Montano's proposal for a six month transition period for DS1 and

1 DS3 loop and transport UNEs that are delisted in the future. Because of the time
2 required to install fiber, I believe that an eighteen month transition period is the
3 minimum necessary to permit CLECs to transition from dark fiber transport UNEs.

4
5 **Q. Do you agree with Ms. Tipton concerning the correct definition of a “route” for**
6 **purposes of determining the availability of high capacity transport under the**
7 **FCC’s rules?**

8 A. Ms. Tipton accurately paraphrases the FCC’s definition of a “route” contained in 47
9 CFR §51.319(e). Because of positions taken by BellSouth and other ILECs in the
10 aborted state proceedings to implement the FCC’s *Triennial Review Order*,
11 however, it is important to clarify that the definition of a “route” does not limit the
12 ability of CLECs to obtain high capacity transport UNEs on routes where the FCC
13 has determined that CLECs are impaired without such UNEs. CLECs need to be
14 able to collocate in a Tier 2 or Tier 3 wire center and obtain unbundled transport
15 connecting that collocation to multiple Tier 1 or Tier 2 wire centers.

16
17 **Q. Please elaborate.**

18
19 A. In the state *TRO* proceedings, state Commissions were required to identify the
20 routes, under the FCC’s definition, where either (a) CLECs had constructed their
21 own transport facilities or (b) transport facilities were available on a wholesale basis
22 from sources other than the ILEC. If a CLEC had constructed its own transport
23 facilities from one wire center to each of two other wire centers, BellSouth and other
24 ILECs argued that a route existed between the two other wire centers because it
25 would be possible to cross-connect the individual routes at the wire center where

1 they had a common end point. Extending this argument, BellSouth could take the
2 position that it is not required to provide unbundled high capacity transport on two or
3 more routes connecting wire centers in one tier to a single wire center in a lower tier,
4 which would permit it to avoid unbundling on routes where the FCC has found
5 impairment.

6
7 For example, the FCC found that CLECs are impaired without the availability of
8 unbundled DS1 transport between Tier 1 and Tier 3 wire centers, although it found
9 that they are not impaired without unbundled DS1 transport connecting two Tier 1
10 wire centers. Thus, a CLEC with a collocation arrangement in a Tier 3 wire center
11 must be permitted to obtain unbundled DS1 transport from that wire center to each
12 of two or more Tier 1 wire centers. Applying the argument it employed in the state
13 *TRO* proceedings, however, BellSouth could argue that because such routes could
14 be cross-connected within the collocation at the Tier 3 wire center, BellSouth would
15 only be required to provide one of the requested routes, otherwise the CLEC would
16 have obtained unbundled DS1 transport on a route connecting two Tier 1 wire
17 centers, where the FCC found no impairment.

18
19 **Q. The FCC said something about using a Tier 3 wire center as a “hub” in**
20 **paragraph 106 of the *TRRO*. Is that what you are referring to?**

21 **A.** Not exactly. The FCC noted in paragraph 106 that it is unlikely that a CLEC desiring
22 unbundled DS1 transport connecting two Tier 1 wire centers would collocate in a
23 Tier 3 wire center and order DS1 transport from the Tier 3 wire center to each of the

1 Tier 1 wire centers because of the cost of collocating at the Tier 3 wire center and
2 the distance-sensitive rate for the two DS1 transport links, which likely would make
3 the arrangement more costly than connecting the two Tier 1 wire centers directly
4 with a special access circuit. The situation that I am concerned with is one where
5 the CLEC wants unbundled transport from the Tier 3 wire center to each of several
6 Tier 1 wire centers, perhaps as the transport component of EELs, connected to
7 loops in the Tier 1 wire centers. In Georgia, this issue was identified as a sub-issue
8 under Issue No. 4(iv) after it was raised by Digital Agent, LLC.

9
10 **Q. Do any of the BellSouth witnesses address this issue in their testimony?**
11

12 **A.** No, and I am not certain that BellSouth disagrees with my position. It is my
13 understanding that BellSouth has agreed in negotiations that a CLEC may obtain
14 unbundled DS1 transport on direct routes between a Tier 2 or Tier 3 wire center and
15 each of two or more Tier 1 wire centers, as well as similar configurations of
16 unbundled DS3 transport connecting a Tier 3 wire center to two or more Tier 1 or
17 Tier 2 wire centers, but as far as I know BellSouth has not yet agreed to contract
18 language stating this. I believe that it is important to include language clarifying this
19 point so that BellSouth cannot later change its interpretation of the "route" definition.

20
21 **Q. Do you believe that the FCC intended to prohibit a CLEC from obtaining an**
22 **unbundled DS1 connection between two Tier 1 wire centers by ordering**
23 **routes from a Tier 3 wire center to each of them and cross-connecting them at**
24 **the Tier 3 wire center as discussed in paragraph 106?**

1 A. No. The FCC clearly recognized the possibility of such configurations, correctly
2 concluded that they generally would not make economic sense, and did not
3 expressly forbid them. If the Commission concludes otherwise, however, it should
4 prohibit the cross-connection at the Tier 3 wire center, rather than permitting
5 BellSouth to deny unbundled DS1 transport connecting a Tier 3 wire center to more
6 than one Tier 1 wire center.

7

8 **Q. Does this conclude your rebuttal testimony?**

9 A. Yes.

**BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2004-316-C**

In Re:

Petition to Establish Generic
Docket to Consider Amendments to
Interconnection Agreements
Resulting From Changes of Law

CERTIFICATE OF SERVICE

This is to certify that I, Mary F. Cutler, a legal assistant with the law firm of Robinson, McFadden & Moore, P.C., have this day caused to be served upon the persons named below the **Rebuttal Testimony of Kristin Shulman** in the foregoing matter by placing a copy of same in the United States Mail, postage prepaid, in an envelope addressed as follows:

John J. Pringle, Jr.
Esquire, Ellis, Lawhorne & Sims, P.A.
Post Office Box 2285
Columbia, SC 29202

Patrick W. Turner, Esquire
BellSouth Telecommunications, Inc.
Post Office Box 752
Columbia, SC 29202

Robert E. Tyson, Jr., Esquire
Sowell Gray Stepp & Laffitte, LLC
Post Office Box 11449
Columbia, SC 29211

Faye A. Flowers, Esquire
Parker Poe Adams & Bernstein, LLP
Post Office Box 1509
Columbia, SC 29202

Darra W. Cothran, Esquire
Woodward, Cothran & Herndon
P.O. Box 12399
Columbia, SC 29211

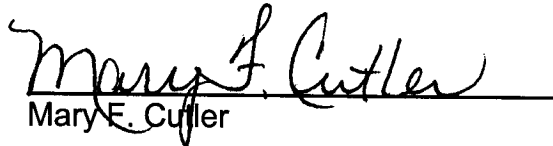
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SC PUBLIC SERVICE
COMMISSION

Scott A. Elliott, Esquire
Elliott & Elliott
721 Olive Street
Columbia, SC 29205

Steven W. Hamm, Esquire
Richardson, Plowden, Carpenter & Robinson, PA
P.O. Drawer 7788
Columbia, SC 29202-7788

Florence P. Belser, General Counsel
Office of Regulatory Staff
Post Office Box 11263
Columbia, SC 29211

Dated at Columbia, South Carolina this 29th day of August 2005.


Mary E. Cutler